

State of California
BOARD OF EQUALIZATION
USE FUEL TAX REGULATIONS

Regulation 1307. VENDOR'S PERMIT.

Reference: Sections 8711, 8712, 8713, and 8716, Revenue and Taxation Code.

(a) GENERAL. A vendor who wishes to conduct business separately at different locations will be issued a permit for each place of business upon the filing of an application for a permit for each location. The permit shall be conspicuously displayed at the place of business of the vendor where fuel is sold and delivered to users. If a vendor is the holder of a single permit and has more than one such place of business but does not wish to conduct business separately at each location, duplicate copies of the permit will be supplied by the board so that the vendor may display the permit as required.

(b) INACTIVE PERMITS. Any person operating as a vendor of fuel in this State under the Use Fuel Tax Law must hold a valid vendor use fuel tax permit. Any person who is not operating as a vendor of fuel but who is holding a vendor use fuel tax permit must surrender the permit to the board for cancellation. The board may revoke the permit of any person found not to be operating as a vendor of fuel.

Upon either the discontinuance of operations as a vendor or the sale of the business, a permit holder shall notify the board of such discontinuance or sale and physically deliver the permit to the board for cancellation. To be acceptable, the notice of the discontinuance or sale of the business must be received by the board in one of the following ways:

(1) Either an oral or a written statement given to a board representative accompanied by delivery of the permit. If the permit is lost, destroyed, or otherwise unavailable for delivery to the board, the notice of discontinuance or sale must be in writing.

(2) Receipt by the board of the application for a vendor's permit from the successor of the business. Such application will serve to put the board on notice of the discontinuance of operations as a vendor by the predecessor.

Notice to another state agency of the discontinuance of operations or the sale of a business does not constitute notice to the board.

(c) PREDECESSOR LIABILITY. Unless the permit holder who sells, donates, trades or otherwise transfers a business notifies the board of such transfer and delivers the permit to the board for cancellation as provided in paragraph (b) above, he or she will be liable for taxes, interest, and penalties (excluding penalties for fraud or intent to evade the tax) incurred by the successor who, with the transferor's actual or constructive knowledge, uses the permit in any way, e.g., displays the permit in the successor's place of business or files returns with the board in the name of the predecessor. The amount of the liability of the predecessor shall include all taxes, interest, and penalties incurred by the successor up to the time the board receives notice of the sale as provided herein. However, at its discretion, the board may relieve the predecessor from liability for penalties incurred by the successor.

A successor may, under certain conditions, be liable for tax, interest, and penalties incurred by a predecessor as explained in Regulation 1334, Successor's Liability (18 CCR 1334).

History: Effective October 17, 1959.

Amended July 31, 1991, effective October 19, 1991. Amended pursuant to Chapter 768, Statutes of 1989. Paragraph (a), generally (previously the only paragraph) changed to clarify procedure for single permitholder having more than one location who does not want to conduct business separately at each location. Added paragraph (b) to provide that a vendor use fuel tax permit may be held only by a person actively engaged in the business as a vendor of fuel taxable under the Use Fuel Tax Law. Also added notice requirements.